
UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon. Edward S. Kiel

v. : Mag. No. 21-15173

DA YING SZE, : **CRIMINAL COMPLAINT**
YUNQIN LIU, :
YUFENG GAO, :
FRANCISCO RODRIGUEZ, :
FAI NGAI, and :
XIUMEI LIN :
:

I, Special Agent Carlo M. Nastasi, being duly sworn, state the following is true and correct to the best of my knowledge and belief:

SEE ATTACHMENT A

I further state that I am a Special Agent with the Internal Revenue Service-Criminal Investigation, and that this complaint is based on the following facts:

SEE ATTACHMENT B

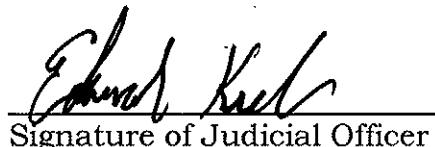
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Carlo M. Nastasi
Special Agent
IRS-Criminal Investigation

Special Agent Carlo M. Nastasi attested to this Complaint by telephone pursuant to Fed. R. Crim. P. 4.1(b)(2)(A), on May 06, 2021.

HONORABLE EDWARD S. KIEL
UNITED STATES MAGISTRATE JUDGE


Signature of Judicial Officer

ATTACHMENT A

COUNT ONE

(Conducting an Unlicensed Money Transmitting Business)

From in or around January 2016, through in or around April 2021, in the District of New Jersey, and elsewhere, the Defendants,

DA YING SZE,
YUNQIN LIU,
YUFENG GAO,
FRANCISCO RODRIGUEZ,
FAI NGAI, and
XIUMEI LIN,

knowingly conducted, controlled, managed, supervised, directed, and owned part and all of an unlicensed money transmitting business, and aided and abetted the conduct, control, management, supervision, direction, and ownership of such a money transmitting business, which business affected interstate and foreign commerce, and: (a) was a business operated without an appropriate money transmitting license in a state where such operation is punishable as a misdemeanor or a felony under state law, that is, the State of New Jersey, State of New York, and State of Pennsylvania; and (b) was a business required to register with the Financial Crimes Enforcement Network (“FinCEN”), an agency of the United States government, pursuant to Section 5330 of Title 31, United States Code.

In violation of Title 18, United State Code, Sections 1960(a), (b)(1)(A), (b)(1)(B), and 2.

ATTACHMENT B

I, Carlo M. Nastasi, am a Special Agent with the Internal Revenue Service–Criminal Investigation (“IRS-CI”). I am fully familiar with the facts set forth herein based on my own investigation, my conversations with other law enforcement officers, and my review of reports, documents, and other items of evidence. Because this Complaint is being submitted for a limited purpose, I have not set forth each and every fact that I know concerning this investigation. Where statements of others are related herein, they are related in substance and part. Where I assert that an event took place on a particular date, I am asserting that it took place on or about the date alleged.

1. The U.S. Drug Enforcement Administration (“DEA”) and IRS-CI have been investigating a large-scale, unlicensed money transmitting business (“MTB”) operating in New Jersey, New York, Pennsylvania, and elsewhere. The investigation has revealed that Da Ying Sze (“Sze”), Yunqin Liu (“Liu”), Yufeng Gao (“Gao”), Francisco Rodriguez (“Rodriguez”), Fai Ngai (“Ngai”), and Xiumei Lin (“Lin”) (collectively, the “Defendants”) conducted, controlled, managed, supervised, directed, and owned the MTB and aided and abetted its activities. Law enforcement has also identified Queens Sewing 43 Inc (“Queens Sewing”), Asia Sewing Corp (“Asia Sewing”), Asia Apparel USA Corp (“Asia Apparel”), Asia Clothing Wholesale Corp (“Asia Clothing”), Broadway Fashion USA Corp (“Broadway Fashion”), Fai Trading NYC Corp (“Fai Trading”), and Mei Sewing Corp (“Mei Sewing”) as entities controlled by or connected to the Defendants and used in furtherance of the MTB’s activities. In all, law enforcement has identified more than approximately \$500 million in financial transactions in which cash was deposited or used to purchase negotiable instruments using bank accounts controlled by or connected to the MTB and Defendants.

Surveillance of the MTB

2. Over the course of the investigation, law enforcement conducted extensive surveillance of the Defendants. Among other things, law enforcement observed that the Defendants and other individuals use multiple vehicles, including a Lexus SUV (the “Lexus”) and a box truck (the “Truck”), to travel between various financial institutions and branches to make large cash deposits throughout the day. In addition, members of the MTB frequently departed from or made stops at, and brought bags containing United States currency to and from, business and personal addresses linked to various entities and individuals involved in the MTB.

3. For example, on or about January 20, 2021, law enforcement conducted surveillance in or around Queens, New York. During surveillance, law enforcement located the Truck, which was operated by Rodriguez, and conducted mobile surveillance. Law enforcement followed the Truck to a supermarket parking lot in or around Queens, New York (the “Lot”), where the

Truck parked. Law enforcement then observed individuals believed to be Liu and Gao depart their residence in Flushing, New York, with Liu carrying two bags and Gao carrying one bag. Liu and Gao walked from the residence to the Lot and entered the Truck. The Truck then departed the Lot and drove to a branch of a financial institution ("FI-1 Branch-1") in or around Queens, New York.

4. Law enforcement then observed the Lexus arrive at FI-1 Branch-1 and park near the Truck. Liu and Gao exited the Truck, walked over to the Lexus, and each removed one large bag from the Lexus. Liu and Gao then carried the bags to the Truck and placed them in the passenger compartment of the Truck. Law enforcement then observed Gao enter the Truck, and Liu enter the Lexus.

5. After a short period of time, law enforcement observed Liu exit the Lexus and walk into FI-1 Branch-1, while carrying a bag. Law enforcement followed Liu into FI-1 Branch-1 and observed her make a large cash deposit over the counter. Liu then exited FI-1 Branch-1 and re-entered the Lexus.

6. Law enforcement followed the Lexus, which drove to a second branch location of the same financial institution ("FI-1 Branch-2") located in or around Queens, New York. Liu then exited the Lexus and entered FI-1 Branch-2. Law enforcement followed Liu into FI-1 Branch-2 and observed her make a large cash deposit over the counter. Liu then exited FI-1 Branch-2 and re-entered the Lexus.

7. Law enforcement followed the Lexus, which drove to a third branch location of the same financial institution ("FI-1 Branch-3") in or around Queens, New York. Law enforcement observed Liu from outside FI-1 Branch-3 and saw her walk up to the counter. Based on the investigation to date, law enforcement believes that Liu made another large cash deposit over the counter at FI-1 Branch-3. Law enforcement then observed Liu exit FI-1 Branch-3 and re-enter the Lexus.

8. On or about January 20, 2021, law enforcement also conducted mobile surveillance of the Truck, which was driven by Rodriguez. Among other things, law enforcement observed Gao enter branch locations of two different financial institutions. Based on the investigation to date, law enforcement believes that Gao made large cash deposits at those financial institutions.

9. As explained below, information provided by various financial institutions indicates that on or about January 20, 2021, the MTB engaged in more than \$2 million in financial transactions using accounts linked to Queens Sewing, Broadway Fashion, Liu, and Gao.

10. Similarly, on or about February 4, 2021, law enforcement observed at least five members of the MTB—including Sze, Rodriguez, Gao, an unidentified Asian woman believed to be Liu, and an unidentified man—carry bags into and out of a warehouse listed as the business location for Queens Sewing, Asia Sewing, Asia Apparel, Asia Clothing, Broadway Fashion, and Fai Trading (the “Warehouse”); a residence on 172nd Street in Flushing, New York associated with Sze; and at least one location in Manhattan, New York before and after making large cash deposits at multiple financial institutions in or around Queens, New York and Manhattan, New York.

11. Law enforcement learned that on or about April 13, 2021, the New York City Police Department (“NYPD”) conducted a motor vehicle stop of the Truck. Law enforcement reviewed body camera video footage of the motor vehicle stop, which showed that Rodriguez, Ngai, and Lin were in the Truck when it was stopped, and that Lin received a summons for a seatbelt violation. As explained below, information provided by various financial institutions indicates that on or about April 13, 2021, the MTB engaged in more than approximately \$400,000 in financial transactions using accounts linked to Ngai and Lin.

12. Likewise, on or about April 29, 2021, law enforcement conducted surveillance of all of the Defendants. Among other things, law enforcement observed Rodriguez, Gao, Ngai, and Lin arrive at the Warehouse in the Truck. Later that day, law enforcement located the Truck, which was being operated by Rodriguez. Law enforcement observed Ngai approach the Truck carrying a weighted gray backpack and enter the Truck, at which time law enforcement observed Ngai take multiple envelopes from inside the Truck and place them inside his backpack. A short time later, law enforcement observed Lin approach and enter the Truck. The Truck then drove a short distance and double-parked, at which time an unidentified Asian male exited a nearby Toyota Highlander, approached the Truck, and appeared to exchange an item with Rodriguez through the window. Later that afternoon, the Truck returned to the Warehouse, stayed for a short period of time, and then drove away.

13. Later on or about April 29, 2021, law enforcement observed Sze exit the Warehouse with multiple bags, which he placed in different compartments of the Lexus. Law enforcement then observed Sze drive Gao and Liu to a financial institution, where they brought multiple bags from the Lexus into a vestibule containing ATMs before making large cash deposits. Law enforcement then followed Sze to multiple other locations, including Manilla Street and Sze’s residence, where law enforcement observed Sze exchange bags and envelopes with multiple other people.

14. Based on my training and experience, and the investigation to date, the Defendants’ large, unusual cash deposits and other activities are consistent with the operations of a large-scale, unlicensed money transmitting business.

Review of Evidence from Financial Institutions

15. Law enforcement has also conducted extensive analysis of evidence provided by financial institutions concerning bank accounts controlled by the MTB and the Defendants. Law enforcement learned that from in or around January 2016 through in or around April 2021 for bank accounts held by entities and individuals linked to the MTB, showed a frequent pattern of large, round-dollar deposits of cash at various financial institutions and branch locations in New Jersey, New York, Pennsylvania, and elsewhere. Many of the individual deposits were in the tens of thousands of dollars, and some of the daily deposits totaled more than several million dollars. In all, law enforcement has identified more than approximately \$500 million in financial transactions in which cash was deposited or used to purchase negotiable instruments using bank accounts controlled by or connected to the MTB and Defendants.

16. For example, the MTB and Defendants engaged in the following representative transactions,¹ which included financial transactions in New Jersey, New York, and Pennsylvania:

- a. On or about April 13, 2021, on the date that Rodriguez, Ngai, and Lin were pulled over by the NYPD in the Truck, members of the MTB engaged in financial transactions in the amount of approximately \$430,240 using accounts linked to Fai Trading, Ngai, Mei Sewing, and Lin.
- b. On or about February 9, 2021, the day after Mei Sewing was incorporated in New York,² members of the MTB engaged in financial transactions in the amount of approximately \$903,922 using accounts linked to Mei Sewing and Lin.
- c. On or about January 27, 2021, the day after Fai Trading was incorporated in New York, members of the MTB engaged in financial transactions in the amount of

¹ The below-referenced dates are approximate. At times, financial transactions that occur on the weekends or after the financial institution closes for the day may post on the next business day.

² During the investigation, law enforcement learned that in or around late-January 2021, a financial institution closed certain bank accounts used by the MTB. Law enforcement believes that after these accounts were closed, the MTB created new businesses, such as Mei Sewing (which is linked to Lin) and Fai Trading (which is linked to Ngai), as explained below, and opened new accounts in those entities' names in furtherance of the MTB's activities.

approximately \$1,220,400 using accounts linked to Fai Trading and Ngai.

- d. On or about January 20, 2021, on one of the dates that law enforcement conducted surveillance of the MTB, members of the MTB conducted approximately \$2,323,390 in financial transactions using accounts linked to Queens Sewing, Liu, and Gao.
- e. On or about January 20, 2021, on one of the dates that law enforcement conducted surveillance of the MTB, members of the MTB engaged in financial transactions totaling approximately \$110,000 using accounts linked to Broadway Fashion and Gao.
- f. On or about October 5, 2020, members of the MTB engaged in financial transactions in the amount of approximately \$18,000 using accounts linked to Asia Sewing and Sze.
- g. On or about September 21, 2020, members of the MTB engaged in financial transactions in the amount of approximately \$1,191,340 using accounts linked to Asia Apparel, Liu, and Queens Sewing.
- h. On or about September 16, 2020, members of the MTB engaged in financial transactions in the amount of approximately \$1,778,200 using accounts linked to Queens Sewing and Liu.
- i. On or about September 10, 2020, members of the MTB engaged in financial transactions in the amount of approximately \$664,270 using accounts linked to, among others, Asia Clothing.
- j. On or about September 10, 2020, members of the MTB engaged in financial transactions in the amount of approximately \$1,772,920 using accounts linked to Queens Sewing and Liu.
- k. On or about September 8, 2020, members of the MTB engaged in financial transactions in the amount of approximately \$4,235,705 using accounts linked to, among others, Queens Sewing and Liu.
- l. On or about August 17, 2020, members of the MTB engaged in financial transactions in the amount of

approximately \$687,720 using accounts linked to, among others, Queens Sewing.

m. On or about June 17, 2020, members of the MTB engaged in financial transactions in the amount of approximately \$725,564 using accounts linked to, among others, Queens Sewing and Liu.

17. Law enforcement has also reviewed surveillance videos from financial institutions that depict the MTB's and Defendants' large cash deposits. For example, one financial institution produced an approximately two-hour video from inside a branch location showing that on or about January 11, 2021, multiple members of the MTB coordinated to deposit large quantities of United States currency into an account associated with Queens Sewing, Liu, and Gao. In the video, law enforcement observed Gao carry multiple heavy bags up to the teller window at the financial institution. Then, Gao walked away and Sze walked up to the teller window. At one point during the transaction, an individual appearing to be Liu, as well as additional individuals, walked up to the teller window and interacted with Sze. After appearing to complete paperwork, Sze took numerous bundled stacks of United States currency out of the bags and placed them on the counter to be processed. While the financial institution processed the currency, Sze appeared to fill out cashier's checks and hand them to other people.

18. Based on the investigation, law enforcement has determined that the MTB uses a number of methods to convert cash into other forms of currency, and to conceal the nature, source, ownership, and control of the currency. For example, a common method used by the MTB and the Defendants is to take large quantities of cash to banks in which they hold accounts and purchase cashier's checks made payable to companies and individuals, as directed by customers. Unlike a personal check, the funds for a cashier's check are guaranteed by the bank, not by an individual account holder. As a result, the beneficiary of the check is guaranteed to have the funds available immediately without waiting for the check to "clear" the bank. Using this method, the MTB and Defendants frequently move millions of dollars out of the accounts on the same day as the cash is deposited.

19. In addition, law enforcement learned that members of the MTB have used casinos to conceal the nature, source, ownership, and control of the currency. For example, on or about March 18, 2021, law enforcement conducted mobile surveillance of the Lexus, which was occupied by Sze, Liu, and Gao. The Lexus drove from Queens, New York, through New Jersey, and into Pennsylvania. Law enforcement then followed Sze and Liu into a casino, where Liu was observed stuffing large quantities of United States currency into slot machines. Based on my training and experience and the investigation to date, Liu's actions were consistent with "bill stuffing," which is a method of concealing

the nature source, ownership, and control of currency by converting currency into tickets and then cashing out the tickets for new currency.

20. Law enforcement has also identified bank accounts controlled by the MTB and Defendants, which law enforcement believes are personal bank accounts. Law enforcement has identified numerous deposits into these bank accounts from funds believed to be originally derived from cash involved in the MTB. Law enforcement believes that these deposits represent at least a portion of the proceeds that the MTB and Defendants have received for their role in the MTB.

21. At all times relevant to this Complaint, none of the entities or individuals involved in the MTB—including Queens Sewing, Asia Sewing, Asia Apparel, Asia Clothing, Broadway Fashion, Fai Trading, Mei Sewing, Sze, Liu, Gao, Rodriguez, Ngai, and Lin—were registered as a money service business in New Jersey, New York, Pennsylvania, or with FinCEN.